



# NEWSLINE

*An Official Publication of the Tennessee Auctioneer Commission  
Tennessee Department of Commerce and Insurance*



## Chairman's Report

by Howard Phillips

The Tennessee Auctioneer Commission would like to welcome Andy Cunyningham as our new legal counsel. Mr. Cunyningham is a graduate of the University of Tennessee and Samford University Cumberland Law School. We look forward to working with Mr. Cunyningham during the coming months.

Spring typically brings an active auction market in all areas of the State of Tennessee. This is a good time for you to examine your advertising program and make any adjustments needed to comply with the law. There are three areas I suggest you review. First, make sure the heading you use on your auction ad adequately reflects the type of auction you are holding (Absolute, Bankruptcy, Estate, Reserve, etc.) It is important that you not mislead your seller or potential buyers with the heading. Second, I suggest that you review the "terms and conditions" section of your ads to make sure you do not conflict with the heading you have chosen. Make sure your "terms and conditions" are clear to all that read them. Third, review your auction logo that typically is located at the bottom of the ad to confirm that your firm license number will appear on all of your ads, and that the firm name you are using matches the name that is on your firm license certificate. Spending a little review time now will help you and your firm to avoid simple mistakes.

I also want to suggest that you inspect your sale site (permanent or temporary) and pay attention to safety issues. You have a responsibility as a licensed auctioneer with a licensed firm to take reasonable measures to ensure that those people you invite to your auctions will be entering a safe environment that you have inspected in advance of the auction.

Our Spring seminar program will be a session on Auction Ethics. This course is designed to give the student an insight into acceptable practices for auctioneers.

The venue is the convention center adjacent to the Montgomery Bell State Park. Montgomery Bell State Park is located seven miles east of Dickson in Dickson County, Tennessee. The park contains 3,782 acres and a new inn and conference center opened in 1998. We have had meetings at this location in the past, and we know you and your family will enjoy the facilities at the park. Amenities include indoor pool, Jacuzzi, exercise room, and cable television. Other information with regard to this meeting is found on the back page of this newsletter. Make your reservations today.

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March Seminar

### COMMISSION MEMBERS AND STAFF

**Howard Phillips, Chairman**

Term 11/30/00 - 8/31/03

**Terri Walker, Board Member**

Term 9/1/02 - 8/31/05

**Jay Whirley, Board Member**

Term 9/1/01 - 8/31/04

**Charles Woodard, Board Member**

Term 9/1/01 - 8/31/04

**James Brock, Consumer Member**

Term 9/1/01 - 8/31/04

**Lynn McGill, Administrative Director**

lynn.mcgill@state.tn.us

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**Sandra Cooper, License Technician**

sandra.k.cooper@state.tn.us

**Dennis Hodges, Investigator**

dennis.hodges@state.tn.us

website: [www.state.tn.us/commerce/boards/auction](http://www.state.tn.us/commerce/boards/auction)

### MISSION STATEMENT:

The mission of the Tennessee Auctioneer Commission is to protect the public and licensees by monitoring the auctioneer profession through licensure and regulation.

### Vision:

To remain a premier regulatory board operating at maximum efficiency, providing exemplary consumer protection and enhanced quality improvement for licensees while recognizing that these are changing times and that the nature of professional services must change accordingly and so should we as regulators.

## Auction Safety is a Must

Spring brings new life to the earth and new life to the auction business. Auction goes like the warm spring days that swell auction crowds everywhere. Larger auction crowds bring on more responsibility to the auction firm to make sure that auction sites are safe.

There are some things that you can do to make sure you have adequately prepared for the large crowds.

- n Make a physical inspection of the auction site and list potential danger spots.
- n Look for holes or dips on the site that may need to be filled or roped off.
- n If you are on a farm property, look for old wells or cisterns that make need to be covered and roped off.
- n Check porches or other structures to determine if floors are stable or need to be off-limits to the crowd.
- n Look for piles of wood or other debris that might slide or be a danger. Rope off these areas.
- n Look for ladders on the sides of buildings or around barns. Cover the bottom portion with plywood to keep children from climbing on to roofs or into lofts.

You can buy bright color survey tape or caution tape at your local home improvement store. Make use of the tape to rope off dangerous areas. Make sure to include safety concerns in your announcements. It pays to pay attention to the safety details.

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## Advertising Reminders

Advertising can make or break your auction business. The very nature of our business requires those in charge of advertising programs to spend their advertising budgets wisely and target the right audience. We owe it to our consumers to provide accurate information in our auctions ads.

The spring is a good time of year to review your firm advertising program and determine if you need to make any adjustments. New rules pertaining to advertising have been in effect for nearly two years. The Commission would like to review those new rules in order to help make your advertising comply with current laws and rules.

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## Escrow Accounts Are Required

The law requires each firm to have an escrow account for the purpose of depositing funds collected on the behalf of others. The account should be used strictly for holding the funds of others and then expenses of the auction can be paid.

An auctioneer should never pay his/her personal or business bills out of an Escrow Account. An auctioneer may calculate the amount of commission and expenses that are due him/her and write a check to the firm for commissions earned and expenses due. That check can then be deposited into the firm business account and then expenses and bills can be paid.

Since the money you deposit in an escrow account belongs to others, you may be able to negotiate special account privileges with your bank. Most banks like to have escrow or trust accounts in their banks.

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### *Advertising (continued from first column)*

The following suggestions will help you during this auction year:

- ◆ Your firm license number **MUST** appear on your auction ad. Most place the firm number on their firm logo at the bottom.
- ◆ Your contract with a client should reflect if the auction is to be "absolute or with reserve." The proper heading should appear at the top of the ad.
- ◆ If you are using a buyer's premium it should be a part of the contract with your seller. You are required to give notice in your advertising that a buyer's premium will be charged to the buyers and the percentage to be charged.
- ◆ Firms advertising bankruptcy auctions for bankruptcy trustees must include the bankruptcy case number assigned to the case on all advertising promoting the bankruptcy auction.
- ◆ An apprentice's name should not appear on an auction ad without the name of his/her principal auctioneer also appearing in the same size type.

If you have questions about advertising, call the TAC and talk with the staff.

**TAC Website has been changed to:**

**[www.state.tn.us/commerce/boards/auction](http://www.state.tn.us/commerce/boards/auction)**

## Apprentice Auctioneers May Not Call Bids at Real Estate Auctions

The Tennessee Auctioneer Commission has ruled that an apprentice may not call bids at a real estate auction. Tennessee Code Annotated 62-19-102 (b) says that "All auctions arranged by or through a firm shall be conducted exclusively by individuals who are licensed as auctioneers under this chapter."

The TAC has ruled that the process of conducting an auction includes calling bids at a real estate auction. If your firm currently allows apprentice auctioneers to call bids at a real estate auction you should end the practice immediately. This applies to all apprentices even those that have a real estate license.

There are some efforts underway to change the statute to allow apprentices to sell at real estate auctions but nothing has been decided as of this date.

## TAC Cuts Costs

Governor Phil Bredesen has requested that all departments of state government cut their budgets. In response to the call to cut costs and reduce the dollars needed to operate state government, TAC Chairman Howard Phillips has changed the time of the TAC meetings to 10:00 a.m. "This change in meeting time will allow all Commissioners to drive to Nashville on the morning of the meeting and avoid the cost of lodging and food," said Howard Phillips, TAC Chair. "The TAC wants to do its part in reducing costs and living within the budgets that are approved for us."

Governor Bredesen imposed 9% cuts on nearly all departments of state government under his authority in an effort to make up a projected \$780 million shortfall. The cuts made by the TAC should not cause any interruption in service to the licensees or the public. Other budget cuts will be considered in the future if it is necessary.

## New Staff Attorney

The Commission would like to welcome Andy Cunyningham as our new staff attorney. A 1996 Graduate of UT-Chattanooga with a major in Political Science and a minor in economics, Andy is also a 2001 graduate of Samford University's Cumberland School of Law in Birmingham, Alabama.

Andy is a fifth generation Dayton, Tennessean with a strong interest in photography.

## Disciplinary Corner

by Dennis Hodges

Name	Amount Paid	Action Taken	Nature of Offense
Kissimmee Auction Co., Inc.	\$500.00	Agreed Citation	Improper Advertisement
Auction Company	\$100.00	Agreed Citation	Improper Advertisement
Furrow Auction Co.	\$500.00	Agreed Citation	Improper Advertisement
Seymour Auction Co.	\$100.00	Agreed Citation	Improper Advertisement
Ritchie Bros. Auctioneers	\$1,000.00	Consent Order	Contract Violation
Collier Auction & Realty Co.	\$300.00	Consent Order	Improper Advertisement

## Please Correct Your Address

Armstrong Roger Clay	Grigsby Merlin	Loux Harold G.
Autry Billy Morris	Groce Randy R.	Mcatee Patricia E.
Batts James T.	Hall Alan K.	Mccabe Jan E.
Bible Dennis H.	Hall Jared	Martin George W.
Blankenship Paul H.	Hartsook Casey	Melhorn Cjcharles A.
Blevins William S.	Hembree John C.	Milam Danny C.
Booth Michael	Hines James S.	Miller Raymond L.
Brooks Randall K.	HITT Anthony S.	Neill Tony E.
Brown Mark	Hodge Stephen G.	Nelson Roy Wayne
Bryant Bobby L.	Holdren Donnie D.	O'Neal Stan
Bushart Nelda C..	Holt Danny W.	Padgett James B.
Carter Lori	Holthouser Edward	Phifer Adron D.
Carter Lowell S.	Hunt Millard D.	Rittenberry Thomas
Cannon Benjamin J.	Hunter James C.	Ritenhouse Stephen
Christine Ken	Hurst David S.	Roach Ronald
Clanton Richard D.	Ingram Thomas R.	Roach Thomas P Jr.
Clark Larry M.	Jax Stephen A.	Rowell Thoams W.
Cole Arthur Lee III	Jennings Cliff	Royston Travis C.
Colvin Douglas E.	Jones Billy R.	Scudder Jason C.
Cook Stanley W.	Jones Mike L.	Sansom Farris D. Jr.
Copeland Lloyd	Jones Ocal P. Jr.	Seay Hilton A.
Cox Roscoe	Jones Ronald D.	Sims Billy H.
Crain Frank N.	Johnson Bob A.	Smith Jeffery W.
Crowe Randy Dale Jr.	Johnson James A.	Smith Randy Keith
Davenport Jack E.	Keeling Michael T.	Stapleton Adrian L.
Deshazier Gilbert O.	Kimbro Ronald H.	Sterwart Daniel D. III
Duncan Jeffery A.	Ladd Charlene	Stiner James B.
Duncan Michael L.	Lannom Ernest D	Stout Clyde G.
Forke Scott L.	Lady Steve A.	Templeton Beverly
Frasier Billy D	Latham Larry W.	Tivin Erik M.
Gamble Michael T.	Lawrence Wendell	Trussell Richard L.
Garner Larry W.	Lawson Dudley D.	Weeks Grady
Gibson Jimmy D.	Lewis Billy L.Jr.	Woltz James L.
Gordon G S.	Lindsey Brenda S.	Wood Barry D.
		Woodard Anglene

Make Note: Email addresses for the TAC staff have changed.

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dennis.hodges@state.tn.us  
sandra.k.cooper@state.tn.us



# Continuing Education Seminar March 24, 2003 Montgomery Bell State Park

The next scheduled TAC-sponsored seminar will be held on Monday, March 24, 2003 at the Montgomery Bell State Park in Burns, Tennessee. Pre-registration is not required.

Our speaker will be Mr. Wendell Hanson, owner of Nashville Auction School. He is a graduate of the school and owner of Wendell Hanson Realty & Auction Company. He has a degree from Motlow College in Management and has been an auctioneer for ten years.

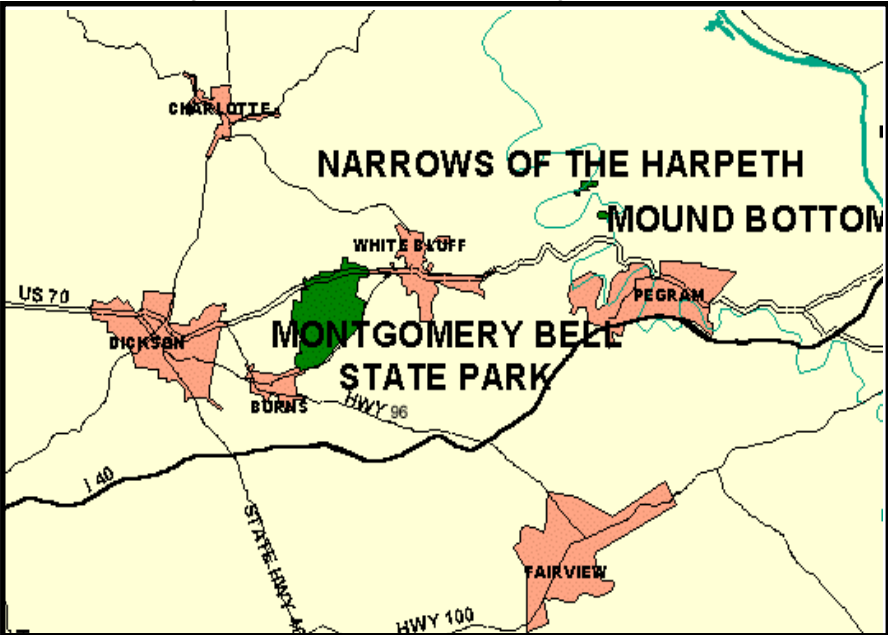
Topic: Auction Ethics  
Speaker: Wendell Hanson  
Location: Montgomery Bell State Park  
Burns, TN  
Time: 8:00 a.m. - 2:00 p.m. (no lunchbreak)  
Hours: Six (6) hours auctioneer continuing education credit  
Hotel Info: Lodging rate: \$73 + tax  
Phone: 615-797-3101  
1-866-TENN PKS

## Directions:

**\*\*DETOUR to Park Entrance Effective March 24, 2003 until further notice**  
Use Directions below to use Exit 182 from I-40  
I-40 West from Nashville: Exit 182 (Fairview/Dickson)  
Hwy 96. Turn left at exit traffic light (East) onto Hwy

96. Stay on Hwy 96 for approx. 9 miles to the 4 way stop sign, the intersection of Hwy 47 (this is Burns, TN). Turn right (East) on Hwy 47. Go approx. ½ mile to the traffic light and turn left. Stay on Hwy 47 East for approx. 3 ½ miles to the park entrance (there will be a sign stating Park Entrance 1000 feet). Turn left into the park from Hwy 47. Go approx. 2 ½ miles and turn right on Hotel Avenue. Follow the signs to the Inn.

I-40 East From Memphis : Exit 182 (Fairview/Dickson) Hwy 96. Turn right at exit traffic light (East) onto Hwy 96. Stay on Hwy 96 for approximately 9 miles to the 4 way stop sign, the intersection of Hwy 47 (this is Burns, TN). Turn right (East) on Hwy 47. Go approx. ½ mile to the traffic light and turn left. Stay on Hwy 47 East for approx. 3 ½ miles to the park entrance (there will be a sign stating Park Entrance 1000 feet). Turn left into the park from Hwy 47. Go approx. 2 ½ miles and turn right on Hotel Avenue. Follow the signs to the Inn.



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"The Tennessee Department of Commerce and Insurance is committed to principals of equal opportunity, equal access, and affirmative action." Contact the EEO Coordinator or ADA Coordinator (615) 741-2177 (TDD).

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DAVY CROCKETT TOWER, 6TH FLOOR  
NASHVILLE, TENNESSEE 37243-1152  
615-741-3236 615-741-1245 (Fax)  
[www.state.tn.us/commerce/auction](http://www.state.tn.us/commerce/auction)